

CHAPTER NO. 101

HOUSE BILL NO. 1639

By Representatives DuBois, Fitzhugh, Rinks, Fowlkes, Tidwell, Hensley

Substituted for: Senate Bill No. 1078

By Senators Ketron, Jackson, McLeary, Tracy

AN ACT to amend Tennessee Code Annotated, Title 45 and Title 56, Chapter 3, relative to officers or directors.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-3-103, is amended by designating the existing language as subsection (a) and by adding the following language as a new subsection (b):

(b) The provisions of this section shall not bar or limit the ability of a director, officer, or committee member of an insurance company from:

(1) Holding or owning stock or other ownership interest, if such stock or ownership interest has been disclosed to the insurance company, in a company or entity:

(A) The shares of which are publicly traded on a national stock exchange or on an over-the-counter basis; or

(B) That is regulated by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or the Office of the Thrift Supervision; or

(C) That does business with the insurance company in the ordinary course of business and on terms no less favorable to the insurance company than are available to ordinary customers of such entity;

(2) Receiving dividends or other distributions in the ordinary course of business from such stock or ownership interest; or

(3) Serving as a director, officer, committee member, employee or agency of any entity listed in this subsection (b) and receiving fees or other compensation in the ordinary course of business for such service.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 11, 2005


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 25th day of April 2005


PHIL BREDESEN, GOVERNOR